



BENTON COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1999

**From The Office Of State Auditor
Claire McCaskill**

Report No. 2000-62
July 27, 2000
www.auditor.state.mo.us

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

July 2000

www.auditor.state.mo.us

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Benton, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Benton County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- The County Collector has reported a deposit in transit of \$1,358 as a reconciling item on bank reconciliations since August 1998. The County Collector indicated the deposit was apparently lost; however, follow up on the deposit had not taken place as of the end of our fieldwork (April 6, 2000). Any part of the \$1,358 not recovered will need to be repaid by the County Collector to eliminate the shortage in the bank account.
- The County Collector improperly distributed \$6,757 received from the State Department of Conservation as payments in lieu of taxes (PILT) to the General Revenue Fund. A similar improper distribution of \$6,177 in payments in lieu of taxes monies noted in our prior audit was not corrected. As a result, various political subdivisions in the county are due approximately \$12,000 with an estimated 60 percent of this amount due to local school districts.
- The county and Health Center do not have procedures in place to track federal awards for the preparation of the schedule of expenditures of federal awards (SEFA). The county's schedule of expenditures of federal awards contained numerous errors and omissions. An accurate schedule of expenditures of federal awards is necessary to ensure federal financial activity is audited and reported in accordance with federal requirements.

(over)

YELLOW SHEET

Also included in the audit are recommendations to improve the accounting controls and procedures for the County Collector, Circuit Clerk and Sheriff. The audit also suggested improvements be made in the county's budgetary and bidding procedures, as well as the use of written contracts. Several of these issues have been noted in prior audits.

Copies of the audit are available upon request.

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

To the County Commission
and
Officeholders of Benton County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Benton County, Missouri, as of and for the years ended December 31, 1999 and 1998, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

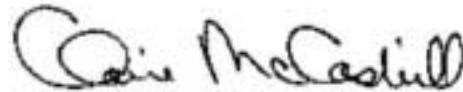
The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Benton County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Benton County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Benton County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31,

1999 and 1998, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated April 6, 2000, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Benton County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

April 6, 2000 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Jon Halwes, CPA, CGFM
In-Charge Auditor:	Robert Showers
Audit Staff:	Shad Becker
	Susan Beeler
	Alana Flint



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Benton County, Missouri

We have audited the special-purpose financial statements of various funds of Benton County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 6, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

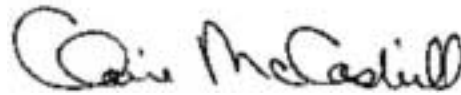
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Benton County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Benton County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material

weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information of the management of Benton County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

April 6, 2000 (fieldwork completion date)

Financial Statements

Exhibit A-1

BENTON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1999

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 221,860	1,443,623	1,429,467	236,016
Special Road and Bridge	1,254,076	1,195,689	1,364,643	1,085,122
Assessment	5	176,392	176,391	6
Law Enforcement Training	2,162	6,501	7,325	1,338
Prosecuting Attorney Training	1,096	1,594	1,825	865
Capital Improvement Sales Tax	722,864	621,690	770,709	573,845
Sales Use Tax	169,520	45,763	56,705	158,578
Adult Abuse	324	526	635	215
Prosecuting Attorney Bad Check	5,946	13,309	12,466	6,789
Recorder's User Fees	37,109	17,113	32,653	21,569
Prosecuting Attorney Delinquent Tax	2,645	2,644	2,452	2,837
Juvenile Detention	7,705	35,462	28,635	14,532
Sheriff Drug	150	20,595	12,644	8,101
Sheriff Civil	1,386	14,082	15,458	10
Circuit Clerk Interest	6,877	2,649	2,170	7,356
Health Center	115,368	2,024,058	2,008,403	131,023
Law Library	4,399	9,253	6,516	7,136
DARE	0	1,290	0	1,290
Total	\$ 2,553,492	5,632,233	5,929,097	2,256,628

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

BENTON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 184,401	1,409,856	1,372,397	221,860
Special Road and Bridge	1,223,833	1,237,405	1,207,162	1,254,076
Assessment	(7,511)	182,040	174,524	5
Law Enforcement Training	3,420	9,508	10,766	2,162
Prosecuting Attorney Training	1,229	2,945	3,078	1,096
Capital Improvement Sales Tax	575,860	595,946	448,942	722,864
Sales Use Tax	251,906	13,133	95,519	169,520
Local Law Enforcement Block Grant	444	232	676	0
Adult Abuse	328	700	704	324
Prosecuting Attorney Bad Check	7,288	14,840	16,182	5,946
Recorder's User Fees	24,475	15,586	2,952	37,109
Prosecuting Attorney Delinquent Tax	1,672	1,889	916	2,645
Juvenile Detention	8,708	37,332	38,335	7,705
Sheriff Drug	5,563	6,596	12,009	150
Sheriff Civil	1,756	14,133	14,503	1,386
Health Center	92,950	2,297,492	2,275,074	115,368
Law Library	1,736	7,340	4,677	4,399
Associate Circuit Division Interest	608	2,975	871	2,712
Circuit Clerk Interest	2,814	1,672	321	4,165
Total	\$ 2,381,480	5,851,620	5,679,608	2,553,492

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

BENTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 194,900	192,432	(2,468)	178,600	190,293	11,693
Sales taxes	542,500	564,480	21,980	536,600	542,365	5,765
Intergovernmental	176,882	245,906	69,024	242,420	236,571	(5,849)
Charges for services	303,450	323,639	20,189	282,010	300,558	18,548
Interest	21,300	21,581	281	24,200	23,118	(1,082)
Other	89,230	62,418	(26,812)	77,600	85,627	8,027
Transfers in	33,950	33,167	(783)	34,086	31,324	(2,762)
Total Receipts	1,362,212	1,443,623	81,411	1,375,516	1,409,856	34,340
DISBURSEMENTS						
County Commission	84,970	85,246	(276)	53,242	52,458	784
County Clerk	64,444	62,955	1,489	54,989	51,401	3,588
Elections	33,070	16,345	16,725	68,000	48,810	19,190
Buildings and grounds	39,638	35,921	3,717	41,703	37,904	3,799
Employee fringe benefits	90,500	69,436	21,064	85,600	75,382	10,218
County Treasurer	31,138	30,747	391	20,848	20,410	438
County Collector	99,270	96,783	2,487	92,473	86,445	6,028
Circuit Clerk and Ex Officio Recorder of Deeds	50,140	49,451	689	42,290	36,188	6,102
Associate Circuit and Probate Courts	0	0	0	14,400	9,017	5,383
Court administration	44,167	17,139	27,028	44,568	21,665	22,903
Public Administrator	9,500	13,715	(4,215)	12,175	8,359	3,816
Sheriff	590,973	579,450	11,523	555,366	582,132	(26,766)
Jail	63,780	84,480	(20,700)	81,350	58,121	23,229
Prosecuting Attorney	107,772	108,441	(669)	90,004	88,668	1,336
Juvenile Officer	65,122	48,274	16,848	68,092	56,590	11,502
County Coroner	10,830	8,380	2,450	9,296	10,846	(1,550)
Health and welfare	1,000	0	1,000	1,000	1,005	(5)
Other	109,456	102,482	6,974	110,422	99,922	10,500
Transfers out	17,182	20,222	(3,040)	25,994	27,074	(1,080)
Emergency Fund	40,866	0	40,866	44,102	0	44,102
Total Disbursements	1,553,818	1,429,467	124,351	1,515,914	1,372,397	143,517
RECEIPTS OVER (UNDER) DISBURSEMENTS	(191,606)	14,156	205,762	(140,398)	37,459	177,857
CASH, JANUARY 1	221,860	221,860	0	184,401	184,401	0
CASH, DECEMBER 31	\$ 30,254	236,016	205,762	44,003	221,860	177,857

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

BENTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL ROAD AND BRIDGE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 264,400	270,751	6,351	249,400	263,177	13,777
Intergovernmental	750,500	792,463	41,963	751,680	811,625	59,945
Charges for services	0	0	0	500	0	(500)
Interest	102,000	120,007	18,007	87,500	125,585	38,085
Other	7,500	12,468	4,968	12,800	37,018	24,218
Total Receipts	1,124,400	1,195,689	71,289	1,101,880	1,237,405	135,525
DISBURSEMENTS						
Salaries	415,000	389,461	25,539	371,939	336,607	35,332
Employee fringe benefits	71,000	39,852	31,148	72,725	43,324	29,401
Supplies	106,950	83,105	23,845	118,150	74,485	43,665
Insurance	19,600	12,757	6,843	14,600	13,639	961
Road and bridge materials	266,200	163,541	102,659	157,700	97,636	60,064
Equipment repairs	83,000	127,958	(44,958)	83,000	71,767	11,233
Rentals	18,500	17,076	1,424	16,500	16,663	(163)
Equipment purchases	307,300	306,453	847	291,300	286,332	4,968
Construction, repair, and maintenance	160,800	136,451	24,349	254,500	184,835	69,665
Special road districts	0	42,626	(42,626)	0	60,772	(60,772)
Other	27,600	21,508	6,092	23,000	19,301	3,699
Transfers out	16,920	23,855	(6,935)	1,800	1,801	(1)
Total Disbursements	1,492,870	1,364,643	128,227	1,405,214	1,207,162	198,052
RECEIPTS OVER (UNDER) DISBURSEMENTS	(368,470)	(168,954)	199,516	(303,334)	30,243	333,577
CASH, JANUARY 1	1,207,254	1,254,076	46,822	1,158,579	1,223,833	65,254
CASH, DECEMBER 31	\$ 838,784	1,085,122	246,338	855,245	1,254,076	398,831

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

BENTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ASSESSMENT FUND

Year Ended December 31,						
1999			1998			
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 170,780	160,640	(10,140)	159,021	149,464	(9,557)
Charges for services	3,000	3,306	306	2,000	3,297	1,297
Interest	1,500	2,466	966	2,300	1,872	(428)
Other	200	291	91	200	333	133
Transfers in	17,182	9,689	(7,493)	37,994	27,074	(10,920)
Total Receipts	192,662	176,392	(16,270)	201,515	182,040	(19,475)
DISBURSEMENTS						
Assessor	188,162	171,658	16,504	201,515	174,524	26,991
Transfers out	4,500	4,733	(233)	0	0	0
Total Disbursements	192,662	176,391	16,271	201,515	174,524	26,991
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	1	1	0	7,516	7,516
CASH, JANUARY 1	5	5	0	(7,511)	(7,511)	0
CASH, DECEMBER 31	\$ 5	6	1	(7,511)	5	7,516

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

BENTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT TRAINING FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Intergovernmental	2,850	0	0	2,803	2,803	
Charges for services	\$ 6,750	6,406	5,120	6,693	1,573	
Other	0	95	0	12	12	
Total Receipts	9,600	6,501	5,120	9,508	4,388	
DISBURSEMENTS						
Sheriff	11,000	7,325	7,000	10,766	(3,766)	
Total Disbursements	11,000	7,325	7,000	10,766	(3,766)	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,400)	(824)	(1,880)	(1,258)	622	
CASH, JANUARY 1	2,162	2,162	3,420	3,420	0	
CASH, DECEMBER 31	\$ 762	1,338	1,540	2,162	622	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

BENTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY TRAINING FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Charges for services	\$ 2,970	1,594	2,850	2,945	95	
Total Receipts	2,970	1,594	2,850	2,945	95	
DISBURSEMENTS						
Prosecuting Attorney	3,590	1,825	3,425	3,078	347	
Total Disbursements	3,590	1,825	3,425	3,078	347	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(620)	(231)	(575)	(133)	442	
CASH, JANUARY 1	1,096	1,096	1,229	1,229	0	
CASH, DECEMBER 31	\$ 476	865	654	1,096	442	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

BENTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 CAPITAL IMPROVEMENT SALES TAX FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales taxes	593,000	607,217	14,217	591,700	592,920	1,220
Other	2,500	14,473	11,973	2,500	3,026	526
Total Receipts	595,500	621,690	26,190	594,200	595,946	1,746
DISBURSEMENTS						
Equipment	205,650	158,594	47,056	183,680	148,558	35,122
Buildings and grounds	96,000	104,378	(8,378)	69,000	15,518	53,482
Highways and roads	492,020	507,737	(15,717)	313,790	284,866	28,924
Total Disbursements	793,670	770,709	22,961	566,470	448,942	117,528
RECEIPTS OVER (UNDER) DISBURSEMENTS	(198,170)	(149,019)	49,151	27,730	147,004	119,274
CASH, JANUARY 1	722,864	722,864	0	575,860	575,860	0
CASH, DECEMBER 31	\$ 524,694	573,845	49,151	603,590	722,864	119,274

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

BENTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SALES USE TAX FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	12,500	9,109	(3,391)	15,400	13,133	(2,267)
Transfers in	19,620	36,654	17,034	0	0	0
Total Receipts	32,120	45,763	13,643	15,400	13,133	(2,267)
DISBURSEMENTS						
Employee fringe benefits	55,620	56,705	(1,085)	0	0	0
Repayment of use tax liability	0	0	0	95,519	95,519	0
Total Disbursements	55,620	56,705	(1,085)	95,519	95,519	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(23,500)	(10,942)	12,558	(80,119)	(82,386)	(2,267)
CASH, JANUARY 1	169,520	169,520	0	251,906	251,906	0
CASH, DECEMBER 31	\$ 146,020	158,578	12,558	171,787	169,520	(2,267)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

BENTON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND

	Year Ended December 31,		
	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	150	109	(41)
Other	125	123	(2)
Total Receipts	275	232	(43)
DISBURSEMENTS			
Sheriff	719	676	43
Total Disbursements	719	676	43
RECEIPTS OVER (UNDER) DISBURSEMENTS	(444)	(444)	0
CASH, JANUARY 1	444	444	0
CASH, DECEMBER 31	\$ 0	0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

BENTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ADULT ABUSE FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Charges for services	\$ 600	520	510	595	85	
Interest	100	6	190	105	(85)	
Total Receipts	700	526	700	700	0	
DISBURSEMENTS						
Domestic violence shelter	700	635	750	704	46	
Total Disbursements	700	635	750	704	46	
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(109)	(50)	(4)	46	
CASH, JANUARY 1	324	324	328	328	0	
CASH, DECEMBER 31	\$ 324	215	278	324	46	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

BENTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY BAD CHECK FUND

		Year Ended December 31,					
		1999			1998		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Charges for services	\$	15,000	12,580	(2,420)	14,500	13,830	(670)
Interest		1,000	729	(271)	1,500	1,010	(490)
Total Receipts		16,000	13,309	(2,691)	16,000	14,840	(1,160)
DISBURSEMENTS							
Prosecuting Attorney		60	135	(75)	1,230	1,162	68
Transfers out		16,166	12,331	3,835	15,056	15,020	36
Total Disbursements		16,226	12,466	3,760	16,286	16,182	104
RECEIPTS OVER (UNDER) DISBURSEMENTS		(226)	843	1,069	(286)	(1,342)	(1,056)
CASH, JANUARY 1		5,946	5,946	0	7,288	7,288	0
CASH, DECEMBER 31	\$	5,720	6,789	1,069	7,002	5,946	(1,056)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

BENTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
RECORDER'S USER FEES FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Charges for services	\$ 13,500	13,057	13,100	12,786	(314)	
Interest	1,000	4,056	1,600	2,800	1,200	
Total Receipts	14,500	17,113	14,700	15,586	886	
DISBURSEMENTS						
Ex Officio Recorder of Deeds	35,000	30,179	24,000	2,952	21,048	
Transfers out	1,945	2,474	0	0	0	
Total Disbursements	36,945	32,653	24,000	2,952	21,048	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(22,445)	(15,540)	(9,300)	12,634	21,934	
CASH, JANUARY 1	37,109	37,109	24,475	24,475	0	
CASH, DECEMBER 31	\$ 14,664	21,569	15,175	37,109	21,934	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

BENTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY DELINQUENT TAX FUND

		Year Ended December 31,					
		1999			1998		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Intergovernmental	\$	1,800	2,380	580	1,100	1,654	554
Interest		200	264	64	300	235	(65)
Total Receipts		2,000	2,644	644	1,400	1,889	489
DISBURSEMENTS							
Prosecuting Attorney		916	606	310	1,500	916	584
Transfers out		0	1,846	(1,846)	0	0	0
Total Disbursements		916	2,452	(1,536)	1,500	916	584
RECEIPTS OVER (UNDER) DISBURSEMENTS		1,084	192	(892)	(100)	973	1,073
CASH, JANUARY 1		2,645	2,645	0	1,672	1,672	0
CASH, DECEMBER 31	\$	3,729	2,837	(892)	1,572	2,645	1,073

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

BENTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
JUVENILE DETENTION FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Charges for services	\$ 36,650	34,479	29,770	36,121	6,351	
Interest	1,200	983	500	1,211	711	
Total Receipts	37,850	35,462	30,270	37,332	7,062	
DISBURSEMENTS						
Detention center	41,500	28,635	36,100	38,335	(2,235)	
Total Disbursements	41,500	28,635	36,100	38,335	(2,235)	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,650)	6,827	(5,830)	(1,003)	4,827	
CASH, JANUARY 1	7,705	7,705	8,708	8,708	0	
CASH, DECEMBER 31	\$ 4,055	14,532	2,878	7,705	4,827	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

BENTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SHERIFF DRUG FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Intergovernmental	\$ 30,000	20,595	3,000	214	(2,786)	
Interest	150	0	150	407	257	
Other	0	0	0	5,975	5,975	
Total Receipts	30,150	20,595	3,150	6,596	3,446	
DISBURSEMENTS						
Equipment	30,000	12,644	8,000	12,009	(4,009)	
Total Disbursements	30,000	12,644	8,000	12,009	(4,009)	
RECEIPTS OVER (UNDER) DISBURSEMENTS	150	7,951	(4,850)	(5,413)	(563)	
CASH, JANUARY 1	150	150	5,563	5,563	0	
CASH, DECEMBER 31	\$ 300	8,101	713	150	(563)	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit P

BENTON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SHERIFF CIVIL FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Charges for services	\$ 14,400	12,721	18,000	14,133	(3,867)	
Other	0	1,361	0	0	0	
Total Receipts	14,400	14,082	18,000	14,133	(3,867)	
DISBURSEMENTS						
Sheriff	0	1,409	0	0	0	
Transfers out	15,000	14,049	16,000	14,503	1,497	
Total Disbursements	15,000	15,458	16,000	14,503	1,497	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(600)	(1,376)	2,000	(370)	(2,370)	
CASH, JANUARY 1	1,386	1,386	1,756	1,756	0	
CASH, DECEMBER 31	\$ 786	10	3,756	1,386	(2,370)	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Q

BENTON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
CIRCUIT CLERK INTEREST FUND

	Year Ended December 31,		
	1999		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	1,000	2,649	1,649
Total Receipts	1,000	2,649	1,649
DISBURSEMENTS			
Circuit Clerk	2,750	2,170	580
Total Disbursements	2,750	2,170	580
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,750)	479	2,229
CASH, JANUARY 1	6,877	6,877	0
CASH, DECEMBER 31	\$ 5,127	7,356	2,229

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit R

BENTON COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 HEALTH CENTER FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 549,000	550,194	1,194	185,000	228,746	43,746
Intergovernmental	545,000	636,170	91,170	306,300	438,577	132,277
Charges for services	938,000	787,186	(150,814)	1,738,050	1,601,048	(137,002)
Interest	7,000	8,156	1,156	5,000	6,989	1,989
Other	20,000	42,352	22,352	10,000	22,132	12,132
Total Receipts	2,059,000	2,024,058	(34,942)	2,244,350	2,297,492	53,142
DISBURSEMENTS						
Salaries	1,576,000	1,428,116	147,884	1,693,200	1,754,073	(60,873)
Office expenditures	154,500	141,261	13,239	166,600	144,328	22,272
Equipment	7,500	12,175	(4,675)	25,000	9,844	15,156
Mileage and training	138,500	107,562	30,938	159,400	126,050	33,350
Loan repayment	27,500	33,189	(5,689)	27,500	27,308	192
Other	270,368	286,100	(15,732)	265,600	213,471	52,129
Total Disbursements	2,174,368	2,008,403	165,965	2,337,300	2,275,074	62,226
RECEIPTS OVER (UNDER) DISBURSEMENTS	(115,368)	15,655	131,023	(92,950)	22,418	115,368
CASH, JANUARY 1	115,368	115,368	0	92,950	92,950	0
CASH, DECEMBER 31	\$ 0	131,023	131,023	0	115,368	115,368

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

BENTON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Benton County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Health Center Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1999, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Library Fund	1999 and 1998
DARE Fund	1999
Circuit Clerk Interest Fund	1998
Associate Circuit Division Interest Fund	1998

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Sales Use Tax Fund	1999
Prosecuting Attorney Delinquent Tax Fund	1999
Sheriff Civil Fund	1999
Law Enforcement Training Fund	1998
Juvenile Detention Fund	1998
Sheriff Drug Fund	1998

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

A deficit budget balance is presented for the Assessment Fund for the year ended December 31, 1998. However, the budget of that fund also included other resources available to finance current or future year disbursements. Such resources were sufficient to offset the deficit budget balance presented.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Library Fund	1999 and 1998
Associate Circuit Division Interest Fund	1998
Circuit Clerk Interest Fund	1998

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1999, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through

either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Of the county's bank balance at December 31, 1999, \$2,661,445 was covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name; and \$31,712 was covered by collateral pledged by one bank and held in the county's name by the safekeeping department of an affiliate of the same bank holding company.

Of the county's bank balance at December 31, 1998, \$2,959,326 was covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name; and \$35,434 was covered by collateral pledged by one bank and held in the county's name by the safekeeping department of an affiliate of the same bank holding company.

The Health Center Board's deposits at December 31, 1999 and 1998, were entirely covered by federal depositary insurance or by collateral securities held by the board's custodial bank in the board's name.

However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances for the Health Center Board existed at those times although not at year-end.

Schedule

BENTON COUNTY, MISSOURI
SCHEDULE OF FINDINGS
YEARS ENDED DECEMBER 31, 1999 AND 1998

This schedule includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Follow-up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

BENTON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Our prior audit report issued for the two years ended December 31, 1997, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

BENTON COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the special-purpose financial statements of various funds of Benton County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 6, 2000.

We also have reviewed the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this review were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable constitutional, statutory, or contractual provisions.

Our review was made in accordance with applicable generally accepted government auditing standards and included such procedures, as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our review, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our review was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our review of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings. These findings resulted from our audit of the special-purpose financial statements of Benton County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1. Budgetary Practices, Expenditures and Interest Allocation

- A. Budgets were not prepared for several county funds during the two years ended December 31, 1999.

Chapter 50, RSMo 1994 and Cum. Supp. 1999, requires the preparation of annual budgets for all funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all county funds, the County Commission is able to more efficiently evaluate all county financial resources.

- B. Actual expenditures exceeded budgeted amounts in the following funds:

Fund	Year Ended December 31,	
	1999	1998
Law Enforcement Training	\$ N/A	3,766
Sales Use Tax	1,085	N/A
Prosecuting Attorney Delinquent Tax	1,536	N/A
Juvenile Detention	N/A	2,235
Sheriff Drug	N/A	4,009
Sheriff Civil	458	N/A

Budget progress reports are generated periodically and reviewed by the County Commission. However, it appears the county's procedures and reports are not resulting in effective monitoring of some budgets.

It was ruled in State ex rel. Strong v. Cribb, 364 Mo. 1122, 273 S.W. 2d 246 (1954) that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office.

- C. Budgets prepared for the Special Road and Bridge Fund do not include all projected receipts, disbursements and cash balances related to County Aid Road Trust (CART) monies received from the state. CART monies distributed to Special Road Districts are not reflected in the budget and some CART monies are retained in a separate unbudgeted fund. Accurate budgets are essential for the County Commission and County Clerk to evaluate county operations and project the anticipated needs for the county for the upcoming year.

- D. Section .310(b) of Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the SEFA to the State Auditor's office as a part of the annual budget. For the SEFA to adequately reflect the county's federal expenditures, it is necessary that all federal expenditures be properly reported.

The County Clerk prepares the SEFA as part of the annual county budget process. The county and the Health Center do not have procedures in place to track federal awards for the preparation of the SEFA. For the years ended December 31, 1999 and 1998, the SEFA contained numerous errors and omissions primarily due to federal grants administered by the Health Center not being included or accurately presented.

Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal requirements which could result in future reductions of federal funds to the county.

- E. The County Commission has delegated the responsibility of bidding law enforcement related purchases made by the county to the Sheriff. The County Commission does not review the bid documentation obtained by the Sheriff for such expenditures. We noted several sheriff's department expenditures involving the purchase of four patrol vehicles, a truck, three ATVs and radio equipment for which the purchases were not bid in accordance with statutory requirements even though the prices paid appeared to be reasonable.

Section 50.660, RSMo Supp. 1999, requires the advertisement for bids for any purchases of \$4,500 or more, from any one person, firm, or corporation during any period of ninety days.

Bidding procedures for major purchases provide a framework for the economical management of county resources and help assure the county that it receives fair value by contracting with the lowest and best bidder. Competitive bidding ensures all interested parties are given an equal opportunity to participate in county business.

To show full compliance with state law, documentation of bids should include, at a minimum, a listing of vendors from whom bids were requested, a copy of the request for proposal, a newspaper publication notice when applicable, a copy of all bids received, a summary of the basis and justification for awarding the bid, documentation of all discussions with vendors, and bid specifications designed to encourage competitive bidding.

- F. The County Treasurer allocates interest earned to various funds she believes are required to retain interest earned on balances or which have a substantial month end cash balance. However, the Capital Improvement Sales Tax Fund is not included in this interest allocation process even though it generally has the second highest month end cash balance of all county funds. In addition, the Sheriff Drug Fund which includes proceeds received from the Justice Department's Federal Equitable Sharing Program was not included in the interest allocation process in 1999. This program specifically requires interest earned on these proceeds to be spent for the same restricted purposes of the program. As a result, interest is not being equitably distributed to all funds required to retain interest earned on balances or those with significant cash balances under the stated allocation policy established.

Conditions similar to A, B, and E were noted in prior reports.

WE RECOMMEND:

- A. The County Commission ensure budgets are prepared or obtained for all county funds in accordance with state law.
- B. The County Commission not authorize warrants in excess of budgeted expenditures. Extenuating circumstances should be fully documented and, if necessary, the budgets properly amended and filed per state law.
- C. The County Commission ensure all CART activity is appropriately included in the annual Special Road and Bridge Fund budget.
- D. The County Clerk, with the assistance of the Health Center, ensure the completeness and accuracy of the schedule of expenditures of federal awards.
- E. The County Commission ensure bids are solicited for all items in accordance with state law. Documentation of bids solicited by the Sheriff and justification for bids awarded should be reviewed by the County Commission and appropriately retained. If it is not practical to obtain bids in a specific instance, the circumstances should be thoroughly documented.
- F. The County Treasurer include the Capital Improvement Sales Tax Fund, the Sheriff Drug Fund and any other funds required to retain interest earned on balances or with significant cash balances in future monthly interest allocations.

AUDITEE'S RESPONSE

- A. *The Interest Fund and DARE Fund were budgeted in 2000 and we plan to budget the Law Library Fund in 2001.*
- B. *We will monitor the 2000 budgets and amend budgets if necessary.*

- C. *We will correct this problem with the 2001 Special Road and Bridge Fund budget.*
- D. *The County Clerk indicated she would prepare a complete and accurate schedule. This recommendation will be implemented for the SEFA to be submitted with the budget due in January 2001.*

The Health Center Administrator indicated she will work with the County Clerk to ensure the expenditures for all federal grant programs the Health Center participates in are reported on the 2000 SEFA.

- E. *We will immediately implement this recommendation.*
- F. *The County Treasurer indicated interest is now allocated to the Capital Improvement Sales Tax Fund effective April 2000 and will be allocated to the Sheriff Drug Fund immediately. She also indicated she will review to ensure all required funds or those with material cash balances are allocated interest.*

2. County Collector's Accounting Controls and Procedures

- A. Bank reconciliation's are not performed on a timely basis. As of April 6, 2000 (fieldwork completion date) bank reconciliations had not been completed for the previous four months. In addition, monthly listings of liabilities are not prepared and reconciled to cash balances. Accurate and complete bank reconciliations and identification of month-end liabilities are necessary to ensure all receipts and disbursements are properly accounted for, that cash in the bank is adequate to meet liabilities and that there is no unidentified excess or shortage in the account.
- B. Our review of those bank reconciliations completed during the audit period indicated a deposit in transit of \$1,358 had been reported as a reconciling item since August 1998. Further discussions with the County Collector indicated a \$1,358 deposit was apparently lost. Since the tax collections comprising this deposit were disbursed to the appropriate political subdivisions in September 1998, the bank account is short by \$1,358. As of April 6, 2000 (fieldwork completion date), the County Collector had not followed up on the lost deposit.

We were able to determine the taxpayers whose payments comprised that deposit, with \$1,058 representing checks and \$300 representing cash. We were able to contact three of the six taxpayers identified as paying by check to determine if the checks written had cleared the bank, with each of them indicating that his or her check had not cleared. The other taxpayers either could not recall if the check had cleared or could not be reached. Had the County Collector followed up on the lost deposit in a timely manner, it appears the taxes of each individual paying by check could have been collected with minimal difficulty. The County Collector has a fiduciary responsibility to correct the account shortage. He should attempt to obtain

replacement checks from these individuals. Any part of the \$1,358 not recovered will need to be repaid by the County Collector to eliminate the shortage in the bank account.

- C. For the two years ended February 29, 2000, the County Collector improperly distributed \$6,757 received from the State Department of Conservation as payments in lieu of taxes (PILT) to the General Revenue Fund. In addition, a similar distribution of \$6,177 of PILT monies noted in our prior audit has not been corrected. As a result, at least \$12,000 is due to various political subdivisions from the General Revenue Fund. Approximately 60 percent or \$7,200 of this \$12,000 would apparently be due to the school districts in the areas this property is located.

Article IV, Section 43 (b) of the Missouri Constitution indicates these monies are to be used "...for distribution to the appropriate political subdivisions as payment in lieu of real property taxes for privately owned land acquired by the commission after July 1, 1977..."

- D. Surtax collections are to be distributed to various political subdivisions based on percentages derived from a combination of the 1984 merchants' and manufacturers' taxes paid and the current assessed valuation for subclass 3 commercial property for each year compared to the 1985 valuation.

The 1999 and 1998 surtax collections were distributed by the County Collector using percentages calculated for distributing the 1985 collections. The County Collector does not recalculate the distribution percentages each year. Discussions with the County Assessor indicated the assessed valuations for certain political subdivisions changed significantly in proportion to other political subdivisions in the last few years.

Section 139.600, RSMo 1994, outlines the procedures to be followed to calculate the percentages for the first and each succeeding year the surtax is imposed. Since significant changes have occurred in the subclass 3 commercial property assessed valuation amounts, political subdivisions have not received the proper allocation of surtax collections.

- E. The County Collector provides property tax collection services to the city of Warsaw based upon verbal agreement. A 4 percent commission is withheld from all city tax collections and allocated 2 percent to the County Collector and 2 percent to the county's General Revenue Fund. A 7 percent additional commission paid by the taxpayer is applied to delinquent city tax collections. This additional commission is allocated 3 percent to the County Employees Retirement Fund (CERF), 2 percent to the County Collector, and 2 percent to the county's General Revenue Fund.

Section 50.332, RSMo 1994, allows county officials, with the approval of the county commission, to perform services for cities that they normally provide to the county for additional compensation. Section 432.070, RSMo 1994, requires all such contracts to be in writing. A written contract, signed by the city, the County Collector, and the County Commission should be prepared.

Additionally, while the county can negotiate for a collection fee to be withheld from gross city collections, the 7 percent additional commission assessed as a penalty for city of Warsaw delinquent taxes is in excess of the penalty authorized by state law. Section 52.290.1, RSMo 1994, provides for a 5 percent penalty to be collected from the taxpayer. Any add on fee or penalty charged to taxpayers must be based on state law or local ordinance.

F. A review of the County Collector's annual settlements indicated the following concerns:

1. The County Collector did not file annual settlements with the County Commission on a timely basis. For the year ended February 28, 1999, the annual settlement was file July 22, 1999. As of June 1, 2000 the annual settlement for the year ended February 29, 2000 had not been filed.

Section 139.160, RSMo 1994, requires the annual settlement to be filed with the County Commission by the first Monday in March. While filing the annual settlement by the statutory due date is difficult, the County Collector needs to make a greater effort to ensure his annual settlements are filed on a more timely basis.

2. For the annual settlement filed for the year ended February 28, 1999, collections reported exceeded distributions by \$53,438. The County Collector could not explain the reason for the difference. Similar though less significant differences between collection and distribution amounts have been noted in prior audits. With inaccurate reporting of collections or distributions on the annual settlement, the County Commission's ability to appropriately examine and approve it is inhibited.

Conditions similar to A, C, D, and E were noted in prior reports.

WE RECOMMEND:

- A. The County Collector perform monthly bank reconciliations on a timely basis, prepare monthly listings of liabilities and reconcile the listings to the reconciled bank balance.

- B. The County Collector follow up on future deposit problems in a timely manner. He should attempt to obtain replacement checks on lost tax payments and personally repay any uncollected amounts to his official bank account.
- C. The County Collector recompute the PILT distribution for amounts improperly distributed in the current and prior audit period and ensure the appropriate amounts are distributed to the appropriate political subdivisions. In addition, future PILT payments received from the Department of Conservation should be distributed in accordance with the Missouri Constitution.
- D. The County Collector ensure future distributions of surtax collections take into consideration the current years assessed valuation of subclass 3 commercial property for each political subdivision as required by state law.
- E. The County Collector and County Commission obtain a written agreement with all cities for tax collections. The contracts should specifically define the amount of penalties to be collected on delinquent city taxes and how the penalties are to be distributed. The penalty amounts should be based on applicable state law or local ordinance.
- F. The County Collector file complete and accurate annual settlements on a more timely basis.

AUDITEE'S RESPONSE

- A. *Bank reconciliations may still not be performed timely during the busy season; however, I will attempt to ensure reconciliations are done timely in the future. I will begin preparing monthly open items lists and attempt to reconcile them with the cash balance. I anticipate implementation of these procedures prior to December 31, 2000.*
- B. *I will contact the individuals that paid by check to obtain replacement checks and repay any difference. I anticipate this process to be completed prior to December 31, 2000. I will ensure if similar situations occur in the future that follow up is done in a timely manner.*
- C. *I will discuss this issue with the County Commission immediately and if the County Commission chooses to comply with the constitutional requirement, I will take corrective action and ensure future distributions are done appropriately.*
- D. *I will implement this recommendation prior to the next billing season.*
- E. *This agreement has been in place for many years and I do not plan to change it.*
- F. *I will attempt to ensure distributions equal collections for the settlement to be filed for the year ended February 29, 2000 and future settlements. Future settlements will also be filed more timely effective with the settlement due for the year ended February 28, 2001.*

3. Circuit Clerk's Accounting Controls and Procedures

The associate and probate divisions were consolidated with the circuit division on January 1, 1999. The Circuit Clerk is responsible for assessing, collecting, and distributing monies in connection with all circuit, associate and probate court proceedings. During our review of the Circuit Clerk's accounting controls and procedures the following concerns were noted:

- A. Prior to the merger, the prior Circuit Clerk maintained an open items listing which reconciled to the cash balance of the circuit account. As noted in our prior report, no such listing was maintained for the associate account. As a result, a complete open items listing which reconciles to the new circuit account balance has not been prepared since the merging of the three divisions. At February 29, 2000, the open items listing for the new circuit account was approximately \$28,000 less than the cash balance.

Monthly listings of open items are necessary to ensure monies held in trust by the Circuit Clerk are sufficient to meet liabilities. In addition, the Circuit Clerk should work to identify all cases with open items and to reconcile the open items to the cash balance. If not identified, the Circuit Clerk should dispose of the monies in accordance with state law. Various statutory provisions including Sections 50.470 through 50.490, RSMo 1994, and Sections 447.500 through 447.995, RSMo 1994, provide for the disposition of unidentified monies.

- B. The Circuit Clerk maintains an inactive account with sixty-six checks totaling \$5,267 that have been outstanding for more than one year. Several of these checks date back to early 1997.

The Circuit Clerk should adopt procedures to routinely follow up on checks outstanding for a considerable time and reissue checks if the payee can be located. If payees cannot be located, the Circuit Clerk should dispose of the monies in accordance with state law. Various statutory provisions including Sections 50.470 through 50.490, RSMo 1994, and Sections 447.500 through 447.995, RSMo 1994, provide for the disposition of unclaimed monies.

Similar conditions were noted in our prior report.

WE RECOMMEND the Circuit Clerk:

- A. Reconcile the monthly listing of open items to the cash balance. Any unidentified monies should be disposed of in accordance with state law.

- B. Establish procedures to investigate checks outstanding for a considerable amount of time. Any remaining unclaimed monies should be disposed of in accordance with state law.

AUDITEE'S RESPONSE

We have been commended for our accomplishments, by your office, the circuit judge and presiding commissioner for our tenacity in resolving most of the pre-existing problems. Yes, we will take your recommendations into consideration. As you know, we have been and are currently attempting to resolve these two remaining problem areas, which were in existence prior to my administration. I believe this should be accomplished within 60 days or less.

4. Sheriff's Accounting Controls and Procedures
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The Sheriff's department collects fees, bonds, and other miscellaneous receipts to be turned over to the county. Our review of the Sheriff's controls and procedures noted the following concerns.

- A. Monthly listings of open items (liabilities) are prepared; however, the listings do not reconcile with the cash balance of the Sheriff's account. At December 31, 1999, the reconciled cash balance exceeded the open items listing for the Sheriff's account by \$462. The unidentified difference fluctuated each month and there was no documentation that the sheriff's office attempts to resolve such differences. In addition, the December 31, 1999 open items listing included nine bonds totaling \$1,281 that had been held for more than one year. These bonds should be reviewed to determine if a disbursement is necessary.

Monthly listings of open items are necessary to ensure monies held in trust by the Sheriff are sufficient to meet liabilities. In addition, the Sheriff should work to identify all open items and to reconcile the open items to the cash balance. If not identified, the Sheriff should dispose of the monies in accordance with state law. Various statutory provisions including Sections 50.470 through 50.490, RSMo 1994, and Sections 447.500 through 447.995, RSMo 1994, provide for the disposition of unidentified or unclaimed monies.

- B. Receipts are not deposited on a timely basis. Deposits were made approximately five times per month with an average deposit of \$2,371 which was composed of approximately 80 percent cash.

To safeguard receipts and reduce the risk of loss or misuse of funds, all receipts should be deposited intact daily or when accumulated receipts exceed \$100.

- C. The Sheriff's department houses prisoners for other entities in the county jail and bills and collects amounts from the various entities. Generally, the only prisoners held for other entities have been arrested by the sheriff's department on an outstanding warrant and are only held until picked up by the jurisdiction that issued the warrant. The Sheriff has not established a formal policy for follow up collection efforts for unpaid incarceration billings. A separate file is maintained with copies of each monthly set of billings; however, these copies are not marked paid when payments are received and a separate ledger tracking billings and collections is not maintained. There is no follow up on bills that are not paid after the first billing.

To adequately account for all incarceration billings due and to maximize county revenues, adequate summary records of amounts due should be maintained. In addition, the Sheriff should establish written procedures for collecting delinquent incarceration billings. Such procedures should consist of periodically identifying billings with past due balances and follow up on the payment status of these billings.

Conditions similar to A and B were noted in our prior report.

WE RECOMMEND the Sheriff:

- A. Reconcile the listing of open items to the cash balance monthly and dispose of any unidentified monies in accordance with state law. In addition, open items held for a considerable time should be routinely followed up on to determine if disbursement is necessary.
- B. Deposit all monies intact daily or when accumulated receipts exceed \$100.
- C. Maintain complete records which track incarceration billings and subsequent payments. In addition, establish and implement procedures for pursuing collection of delinquent incarceration billings.

AUDITEE'S RESPONSE

- A. *We are currently taking corrective action to correct the open items problem and will attempt to get the bonds distributed. The open items differences may have been caused by an accounting software problem. We anticipate corrective action will be completed for all problems within a few months.*
- B. *We will begin to make deposits at least 3 days a week.*
- C. *We will now mark billings as paid once payments are received and retain documentation for billings counties refuse to pay. Billings when paid are normally paid timely. There does not appear to be a need to send out second billings.*

This report is intended for the information of the management of Benton County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

BENTON COUNTY, MISSOURI FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Benton County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit report issued for the two years ended December 31, 1997. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the county should consider implementing these recommendations.

1. Circuit Clerk's Accounting Controls, Records, and Procedures

- A. The Circuit Clerk did not prepare bank reconciliations, maintain a book balance, or prepare listings of liabilities (open items) for the fee account on a monthly basis.
- B. Receipts were not always promptly recorded in the one-write receipt ledger, daily reconciliation procedures were not performed, and deposits were not always made timely.
- C. The Circuit Clerk did not always distribute checks promptly or follow up on outstanding checks timely.
- D.1. The Circuit Clerk sometimes used "white-out" over the amount initially recorded on the one-write receipt ledger. Several transactions were recorded on the one-write receipt ledger in blue ink, rather than the usual carbon.
- 2. The Circuit Clerk used checks from an old supply of unused checks and two instances where counter checks were used. The check numbers on the old checks were changed and a number was added to the counter checks to continue the official fee account checks' numerical sequence.
- E. The Circuit Clerk did not file a report of fees with the County Commission for the two years ended December 31, 1997.
- F. A listing of accrued costs owed to the court was not maintained by the Circuit Clerk and monitoring procedures related to accrued costs were not adequate.
- G. Accounting and bookkeeping duties were not adequately segregated and supervisory review was not adequately documented.
- H. The Circuit Clerk was behind in submitting criminal cost reimbursement requests to the state.

Recommendation:

The Circuit Clerk:

- A. Prepare monthly bank reconciliations and open items listings, and reconcile them to the cash balance. Any discrepancies should be investigated and resolved.
- B. Promptly record receipts to the accounting records, issue receipts slips in sequential order, deposit receipts daily or when accumulated receipts exceed \$100, and reconcile the composition of receipt slips issued to the composition of deposits.
- C. Distribute checks promptly after preparation and follow-up on old outstanding checks.
- D.1. Void and retain incorrectly written receipt slips and thoroughly document any changes to the receipt records.
 - 2. Use only prenumbered checks specific to the official fee account and account for their numerical sequence.
- E. File a monthly report of fees with the County Commission as required by state law.
- F. Maintain a complete listing of accrued costs and establish procedures to routinely follow-up and pursue timely collection.
- G. Adequately segregate duties or ensure independent, documented reviews of the records are performed.
- H. Determine any unbilled costs pertaining to 1997 and 1996 cases and bill the state now. In the future, criminal cost reimbursement forms should be submitted to the state on a more timely basis.

Status:

- A. Partially implemented. Monthly bank reconciliations are now prepared; however, a complete open items listing which reconciles to the circuit account balance has not been prepared since the merging of the circuit, associate and probate divisions. See MAR No. 3.
- B-E,
G&H. Implemented.
- F. Partially implemented. Although the Circuit Clerk does not maintain a complete listing of accrued costs, there are now procedures in place to routinely follow-up and

pursue timely collection of amounts owed. Although not repeated in the current report, our recommendation remains as stated above.

2. Ex Officio Recorder of Deeds' Procedures

- A. The Ex Officio Recorder of Deeds contracted with an individual to microfilm old records of the offices of Circuit Clerk and Ex Officio Recorder of Deeds.
 - 1) The Ex Officio Recorder of Deeds did not solicit bids for the services.
 - 2) No written agreement was entered into with this contractor.
 - 3) Payments to the contractor were made from the Recorder's User Fees Fund even though the microfilming of Circuit Court case file documents did not appear to be an appropriate use of this fund.
- B. Receipts totaling \$522 from the Internal Revenue Service for filing federal liens were held for several months before deposit. These receipts were not recorded in the receipt ledger until approximately one month after they were deposited.

Recommendation:

- A.1. Solicit bids as required by state law.
 - 2. Enter into written agreements and require detailed invoices to support payment requests when contracting for services.
 - 3. Ensure that expenditures made from the Recorder's User Fees Fund are allowable under the law.
- B. Record receipts promptly and deposit all receipts daily or when accumulated receipts exceed \$100. In addition, tax liens should be filed timely.

Status:

- A. The Ex Officio Recorder of Deeds did not enter into any agreements that would require written contracts during the audit period. No problems were noted with the expenditures from the Recorder's User Fee Fund.
- B. Implemented.

3. Budgetary Practices and Expenditures

- A. Formal budgets were not prepared and filed with the State Auditor's office for several funds.

- B. Actual disbursements exceeded budgeted amounts for several funds.
- C. The County Commission, Health Center Board of Trustees and other county officials did not properly bid some purchases or ensure that efforts to obtain bids were adequately documented.
- D. The county purchased handguns for the Sheriff and his deputies who then reimbursed the county over a period of time. The number of handguns purchased by the Sheriff and one reserve deputy exceeded the County Commission's stated policy for the handgun program. The written agreement signed by each deputy and the Sheriff did not clearly state repayment terms.

Recommendation:

- A. The County Commission ensure budgets are prepared for all county funds and submitted to the State Auditor's office as required by state law.
- B. The County Commission and the Health Center Board of Trustees not authorize warrants in excess of budgeted expenditures. Extenuating circumstances should be fully documented and, if necessary, the budgets properly amended following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's Office, and prior to incurring the related expenditures.
- C. The County Commission and other county officials solicit bids for all items in accordance with state law. Documentation of bids solicited and justification for bid awards should be maintained. If bids are not obtained and/or sole source procurement is necessary, the County Commission minutes should thoroughly reflect the circumstances.
- D. The County Commission review handgun purchases to ensure its policies are adhered to and ensure the written agreement with the Sheriff and each deputy clearly specifies the repayment terms.

Status:

- A. Not implemented. See MAR No.1.
- B. Partially implemented. The Health Center Board did not authorize any payments in excess of budgeted expenditures during the audit period; however, the County Commission still had problems in this area. See MAR No. 1.

- C. Partially implemented. Some problems were noted with several law enforcement related purchases handled by the Sheriff's department; however, no other bidding problems were noted. See MAR No.1.
- D. Implemented. As of April 2000, approximately \$2,800 of the \$4,500 due to the county from the Sheriff and his deputies had been repaid. Written agreements are now entered into which specify the repayment terms.

4. Personnel Policies and Procedures

Records of leave, overtime worked, and compensatory time balances were not centrally maintained except for road and bridge employees and employees of the County Clerk's office.

Recommendation:

The County Commission require the County Clerk to maintain centralized leave and compensatory records for all county employees.

Status:

Implemented.

5. Property Tax System and Computer Controls

- A. The County Collector and Assessor made changes to the property tax records for additions and abatements on an ongoing basis. There was no independent, subsequent comparison of County Commission approved court-ordered additions and abatements to actual changes made to the property tax data file.
- B. The county had not established a formal disaster plan for its computer system.

Recommendation:

- A. Revise the addition/abatement process so that the County Collector and Assessor do not have the capability to make changes to computerized property tax data or ensure that independent, subsequent comparisons of these changes to tax book change orders is performed.
- B. Develop a formal contingency plan for the county's computer system.

Status:

- A. Implemented.

- B. Partially implemented. Each elected official has submitted a disaster recovery plan to the County Commission, but a formal contingency plan has not yet been developed. Although not repeated in the current report, our recommendation remains as stated above.

6. County Collector's Withholdings from Tax Collections

- A. Various errors were made in adjusting property tax collections for the effects of Proposition C and in calculating the assessment withholding from school district property tax collections. Worksheets or other documentation was not retained to support commissions and assessment withholdings on school district property tax collections
- B. The County Collector improperly withheld commissions on interest charged on current delinquent and back tax collections and mailing commissions on interest charged on current delinquent tax collections.
- C. The amount of additional commissions paid into the County Employees' Retirement Fund exceeded the amount required.

Recommendation:

- A. Recompute commissions related to these school districts and make corrections for amounts improperly distributed to the schools, General Revenue Fund, and Assessment Fund. The Collector needs to ensure future Proposition C commissions are computed properly. In addition, work sheets or other documentation to support the calculation of commissions and assessment withholdings on school district property tax collections should be retained.
- B. Discontinue the practice of withholding commissions on interest charged on current delinquent and back tax collections. In addition, the County Collector should recalculate the commissions which should have been retained from the political subdivisions tax collections. Future distributions to the various political subdivisions and the General Revenue Fund should be adjusted for the differences noted.
- C. Recalculate the distribution of additional commissions for the year ended February 28, 1998, and make the necessary adjustments for errors noted, along with differences noted above and in the previous audit report.

Status:

- A. Partially implemented. Although the County Collector continues to have errors in his Proposition C commission calculation, he now retains the worksheets used to calculate commissions and withholdings. During the last year of the audit period

only one school district's property tax collections had to be adjusted for the effects of Proposition C. Commissions and withholdings were not recomputed for the prior audit period. Although not repeated in the current report, our recommendation remains as stated above.

- B. Not implemented. This recommendation has been made to the County Collector in numerous prior reports. He has indicated both in his response to those findings and to us during the current audit that he does not intend to change this practice. This commission calculation compliance problem results in about \$750 in additional commissions annually being turned over to the General Revenue Fund. Although not repeated in the current report, our recommendations remain as stated above.
- C. Partially implemented. The County Collector made an adjustment to correct the amount incorrectly distributed to the CERF for the year ended February 28, 1997; however, he did not make any adjustments for differences previously noted in the audit for the two years ended February 28, 1996 and did not recalculate the distribution for the year ended February 28, 1998. No problems were noted with the CERF distributions made during the audit period. Although not repeated in the current report, our recommendation remains as stated above.

7. County Collector's Accounting Controls and Procedures

- A. The County Collector did not reconcile cash balances to existing liabilities.
- B. The County Collector improperly distributed \$6,177 received from the State Department of Conservation as payments in lieu of taxes (PILT) to the General Revenue Fund.
- C. Surtax collections were distributed using percentages applicable to the 1985 collections.
- D. Tax monies for the city of Warsaw were collected without a written agreement and the penalty fee charged on the delinquent city taxes might have been in excess of that authorized by state law.

Recommendation:

- A. The County Collector reconcile the amounts in his bank accounts to related liabilities and other reconciling items on a monthly basis. Any differences should be investigated and explained on the reconciliations.
- B. The County Collector recompute the PILT distribution and take the over and under payments into effect when distributing future PILT payments received from the State Department of Conservation to the appropriate political subdivisions.

- C. The County Collector recalculate distributions of surtax collections for the two years ended February 28, 1998, and ensure future distributions of surtax collections are properly computed to take into consideration the current assessed valuations for Subclass 3 commercial property of each political subdivision.
- D. The County Collector and County Commission obtain a written agreement with all cities for tax collections. The contracts should specifically define the amount of penalties to be collected on delinquent city taxes and how the penalties are to be distributed. The penalty amounts should be based on applicable state laws and city ordinance.

Status:

A–D. Not implemented. See MAR No. 2.

8. Sheriff's Accounting Controls and Procedures

- A. Formal monthly bank reconciliations had not been prepared since April 1997. Monthly listings of liabilities (open items) were prepared, but were not agreed to the reconciled bank and book balance.
- B. Receipts were not always deposited timely.
- C. Receipt slips did not indicate the method of payment and the composition of receipts was not reconciled to the composition of deposits.
- D. The Sheriff maintained custody of the Sheriff 's Department Reserve Account without statutory authority.

Recommendation:

- A. Perform formal monthly bank reconciliations, and ensure a complete and accurate open items listing is maintained and reconciled to the cash balance. In addition, reasons for discrepancies among the various accounting records should be determined and resolved during the month-end reconciliation process.
- B. Deposit receipts daily or when accumulated receipts exceed \$100.
- C. Record the method of payment on receipt slips and reconcile the composition of receipts to the composition of bank deposits.
- D. Turn over custody of the Sheriff's Department Reserve Account to the County Treasurer, and turn over all future calendar receipts to the County Treasurer.

Status:

- A. Partially implemented. Bank reconciliations are currently being performed on a timely basis; however, the reconciled balance does not agree with the open items listing. See MAR No. 4.
- B. Not implemented. See MAR No. 4.

C&D. Implemented

9. Associate Circuit Division's Open Items

Monthly listings of liabilities (open items) were prepared, but were not agreed to the reconciled bank and book balances.

Recommendation:

The Associate Circuit Division Judge ensure a complete and accurate open items listing is maintained and agreed to the reconciled bank and book balances monthly. In addition, the Associate Circuit Judge should require the Associate Circuit Division Clerk to attempt to identify the \$3,852 and disburse these monies accordingly. If such monies cannot be identified, they should be paid to the appropriate county or state fund as directed by state law.

Status:

Not implemented. The associate circuit division was merged with the circuit division in January 1999. The monies referred to above are now the responsibility of the Circuit Clerk. See MAR No. 3.

STATISTICAL SECTION

History, Organization, and
Statistical Information

BENTON COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1835, the county of Benton was named after Thomas Hart Benton, a U.S. Senator. Benton County is a county-organized, third-class county and is part of the Thirtieth Judicial Circuit. The county seat is Warsaw.

Benton County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Benton County received its money in 1999 and 1998 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	1999		1998	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 463,183	18	453,470	17
Sales taxes	564,480	21	542,365	20
Federal and state aid	1,038,369	39	1,048,196	40
Fees, interest, and other	573,280	22	603,230	23
Total	\$ 2,639,312	100	2,647,261	100

The following chart shows how Benton County spent monies in 1999 and 1998 from the General Revenue and Special Road and Bridge Funds:

USE	1999		1998	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 600,442	21	575,035	22
Public safety	829,025	30	797,362	31
Highways and roads	1,364,643	49	1,207,162	47
Total	\$ 2,794,110	100	2,579,559	100

Additionally, Benton County has a Capital Improvement Sales Tax Fund with receipts of \$621,690 and \$595,946 in 1999 and 1998, respectively, which are used for improvements to roads and bridges, upgrading equipment, and repairs and upkeep of county buildings.

The county maintains approximately 76 county bridges and 535 miles of county roads.

The county's population was 9,695 in 1970 and 13,859 in 1990. The following chart shows the county's change in assessed valuation since 1970:

		Year Ended December 31,				
		1999	1998	1985*	1980**	1970**
		(in millions)				
Real estate	\$	98.3	95.9	54.2	27.1	18.5
Personal property		32.1	29.8	11.0	7.7	5.5
Railroad and utilities		13.9	11.9	7.8	6.8	3.5
Total	\$	144.3	137.6	73.0	41.6	27.5

* First year of statewide reassessment.

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Benton County's property tax rates per \$100 of assessed valuations were as follows:

		Year Ended December 31,	
		1999	1998
General Revenue Fund	\$.12	.14
Special Road and Bridge Fund*		.21	.21
Health Center Fund		.40	.40

* The county retains all tax proceeds from areas not within road districts. The county has three road districts that receive four-fifths of the tax collections from property within these districts, and the Special Road and Bridge Fund retains one-fifth. The road districts also have an additional levy approved by the voters.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28 (29),	
	2000	1999
State of Missouri	\$ 43,501	42,090
General Revenue Fund	183,781	256,271
Special Road and Bridge Fund	275,346	275,471
Special Road districts	31,226	24,022
Assessment Fund	72,068	68,250
Health Center Fund	562,963	525,753
School districts	4,522,312	4,350,640
Library district	201,058	196,677
Ambulance district	260,828	245,424
Nursing Home districts	55,963	54,785
Junior College	569,942	557,721
Fire districts	317,433	305,570
Cities	127,767	128,512
Advertising	2,655	2,552
County Clerk	736	1,357
Overplus Fund	10,075	54,646
County Employees' Retirement Fund	41,719	30,704
Commissions and fees:		
County Collector	1,951	1,935
General Revenue Fund	119,667	114,127
Total	\$ <u>7,400,991</u>	<u>7,236,507</u>

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),	
	2000	1999
Real estate	89.9 %	89.3 %
Personal property	89.3	89.5
Railroad and utilities	100.0	100.0

Benton County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration	Required
		Date	Property Tax Reduction
General	\$.0050	None	50 %
Capital improvements*	.0050	2006	None

* The capital improvements sales tax was extended for an additional five years by the voters of Benton County in April 2000.

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2000	1999	1998
County-Paid Officials:			
Rodney Meyer, Presiding Commissioner	\$	28,400	16,414
John Spry, Associate Commissioner		26,400	16,414
Walter Schumacher Jr., Associate Commissioner		26,400	16,414
Glenalee Dillon, County Clerk		40,000	29,406
Karen Woodley, Prosecuting Attorney		47,000	32,716
Glenn Spencer, Sheriff		33,374	32,500
Kathryn Dockery, County Treasurer		29,600	19,348
James A. Miller, County Coroner		4,830	4,830
Annabelle Kindle, Public Administrator *		12,558	7,042
Jesse Wininger, County Surveyor **			
J.D. Johnson, County Collector, year ended February 28 (29), ***	40,409	32,215	
Roger Reedy, County Assessor, year ended August 31, ****		39,060	39,060
State-Paid Officials:			
Cheryl Schultz, Circuit Clerk and Ex Officio Recorder of Deeds		44,292	
Rosemary Walthall, Circuit Clerk and Ex Officio Recorder of Deeds			42,183
Larry Burditt, Associate Circuit Judge		87,235	85,158

* Includes fees received from probate cases.

** Compensation on a fee basis.

*** Includes \$1,951 and \$1,935, respectively, of commissions earned for collecting city property taxes.

**** Includes \$900 annual compensation received from the state. \$1,908 of the salary for the year ended August 31, 1998 was paid during the year ended August 31, 1999.

A breakdown of employees (excluding the elected officials) by office at December 31, 1999, is as follows:

Office	Number of Employees Paid by	
	County	State
County Commission	1	0
Circuit Clerk and Ex Officio Recorder of Deeds	0	5
County Clerk	2 *	0
Prosecuting Attorney	4 *	0
Sheriff	23 **	0
County Collector	3 *	0
County Assessor	6	0
Road and Bridge	19 ***	0
Health Center	58 ****	0
Total	<u>116</u>	<u>5</u>

* Includes 1 part-time employee

** Includes 4 part-time employees

*** Includes 3 part-time employees

**** Includes 11 part-time employees

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Benton County's share of the Thirtieth Judicial Circuit's expenses is 17.45 percent.

In 1995, a juvenile detention center was constructed in the city of Bolivar for the Thirtieth Judicial Circuit. The five counties in the circuit are required to pay for the cost of construction in accordance with a cooperative agreement with the Thirtieth Circuit Youth Services, Inc., a not-for-profit organization established to operate the detention center. The Bolivar Industrial Development Authority issued revenue bonds of \$830,000 on behalf of the Thirtieth Circuit Youth Services, Inc., to finance the required share of construction costs for the counties of Benton, Hickory and Webster. The Thirtieth Circuit Youth Services, Inc., makes the bond payments, but the counties are required to pay their share of the debt in accordance with the cooperative agreement. Benton County's share of the debt is 30.83 percent, and at December 31, 1999, the county's total obligation for the principal was \$221,668. The interest rate is 6 percent and payments are made semi-annually for six years, with a lump sum payment due on November 1, 2001. Benton County's share of the lump sum payment is \$208,363, and the county does not have a reserve set aside for the lump sum payment. The debt can be refinanced if the lump sum payment cannot be made.